

1. BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET OVER 2012 Q2

Table 1 Volume of open market temporary operations
(in ALL million*)

DATE	1-week R/REPO	1-day R/REPO	3-month R/REPO
05.04.2012	12,000.00		2,000.00
12.04.2012	16,030.00		
19.04.2012	10,450.00		2,000.00
24.04.2012			1,500.00
26.04.2012	13,800.00		
03.05.2012	12,520.00		
10.05.2012	12,080.00		2,000.00
17.05.2012	11,790.00		
22.05.2012		-1,000.00	
23.05.2012		-1,000.00	
24.05.2012	11,690.00		
31.05.2012	10,000.00		2,000.00
07.06.2012	9,330.00		1,860.00
14.06.2012	15,800.00		
21.06.2012	17,000.00		
28.06.2012	16,480.00		

1.1. Open market operations

Interventions in the money market, over the second quarter of 2012, consist of operations for injecting and withdrawing liquidity, as well as structural operations for outright sale or purchases.

The total amount of injected liquidity was down from an average of ALL 22.8 billion recorded during 2012 Q1 to an average of ALL 17.2 billion in 2012 Q2.

To inject liquidity, the Bank of Albania employed its main instrument, the one-week reverse repurchase agreement, at an average of ALL 12.99 billion per week*, as well as the three-month reverse repo agreement in 6 occasions, at an average of ALL 1.97 billion per auction. To withdraw excess liquidity, on 22.05.2012 and 23.05.2012, which coincide with the last two days of the period for the maintenance of the required reserve, the one-day reserve repo agreement was used, at nominal value ALL 1.00 billion.

In the framework of money market current conditions and with the purpose to develop it, the structural operations conducted during the 2012 Q2 consist of one transaction for 6-month T-bills sale at an amount of ALL 0.40 billion*, as well as six intervention for purchasing 12-month T-bills at the amount of ALL 6.40 billion. Net portfolio of the Bank of Albania increased during 2012 H1 at ALL 6.01 billion* which should be sterilised at maturities in the primary market in 2012 H2, accordingly to the priorly announced calendar.

1.2. Use of standing facilities

During 2012 Q2, the overnight deposit facility was used in 42 occasions, at an average of ALL 4.51 billion, about ALL 2.73 billion more than in the previous quarter when this facility was used in 18 occasions averaging at ALL 1.78 billion.

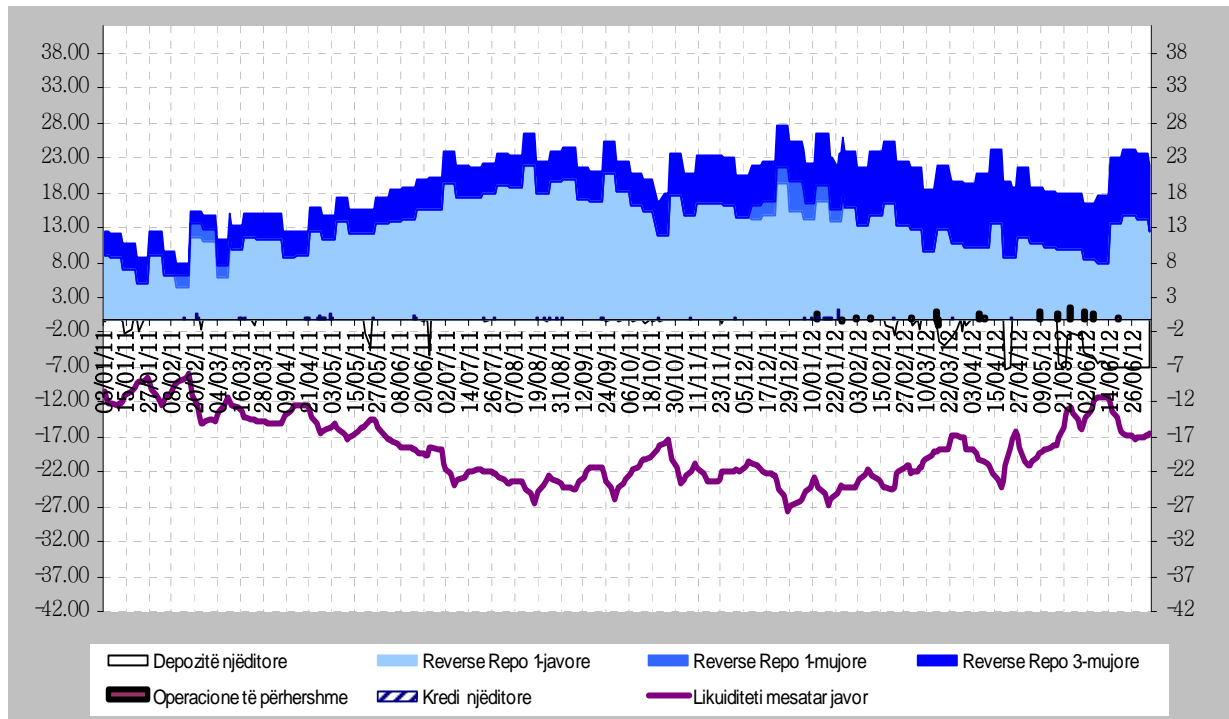
The overnight credit facility was employed in 1 occasion, amounting ALL 2.05 million, on 23 April 2012, which coincides with the ending of the required reserve period. The overnight credit facility was used in 12 occasions in the previous quarter, at an average of ALL 0.21 billion.

* Figures are expressed at their nominal value.

Interventions in the money market and foreign exchange market over 2012 Q2

The following chart provides an overview of the Bank of Albania interventions in the money market for 2011-2012.

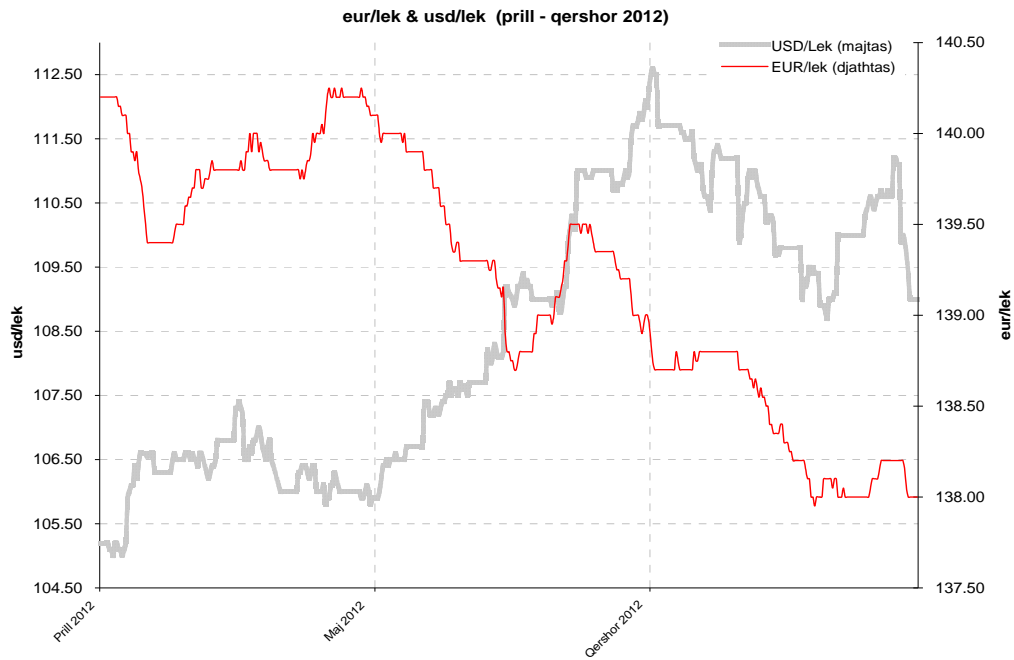
Chart 1 Bank of Albania interventions in the money market for 2011-2012 (at purchase price)



2. BANK OF ALBANIA INTERVENTIONS IN THE DOMESTIC FOREIGN EXCHANGE MARKET DURING 2012 Q2

In 2012 Q2, the Bank of Albania intervened in the foreign exchange market, purchasing foreign currency from commercial banks to increase the foreign currency reserve. During this period, the Bank of Albania purchased foreign currency equivalent to ALL 611.29 million.

Interventions in the money market and foreign exchange market over 2012 Q2



2.2 Operations with other institutions

During this period, foreign currency transactions with the Ministry of Finance were at minimum levels. The total purchased amount was ALL 278.6 million and sold ALL 279.8 million.

International institutions purchased foreign currency equivalent to ALL 181.3 million (International Bank for Reconstruction and Development - IBRD).

Financial institution	Foreign currency purchases (in ALL million)	Foreign currency sales (in ALL million)
MINISTRY OF FINANCE	278.6	279.8
OTHER (IDA, IBRD)	181.3	